

24 December 1963

**MEMORANDUM FOR: Executive Director-Comptroller**

1. I showed this to the Director over the weekend and as you can see from his note, he said, "Good start. Important to examine old Spanish customs and eliminate where possible."

2. He felt that we were making real progress and wants us to keep after it.

Marshall S. Carter  
Lieutenant General, USA  
Acting Director

**Attachment:**

Memorandum to DDCI from Executive Director-Comptroller,  
Subject: Economy Measures Within the Agency

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MEMORANDUM FOR: General Carter

SUBJECT: Economy Measures Within the Agency

1. The following actions have been taken within the Agency in response to your directive for maximum economy:

STAT a. [ ] required Deputy Directors, Inspector General, and General Counsel to report on 15 December measures taken last year and planned actions for coming year to reduce costs. ExDir-Compt was instructed to review with these officials at least every 90 days the progress made in improving management and effecting economies. (Replies now being reviewed and summarized in Office of ExDir-Compt and reply to Presidential letter being drafted for DCI signature.)

STAT b. [ ] froze personnel strength at level on-duty 30 November and required any Entrance On Duty actions which would raise strength of any component above this level to be approved personally by ExDir-Compt. Director of Personnel instructed to provide weekly report on EODs and effect on strength of acquiring component.

STAT c. [ ] admonished senior officials on need for more frugality in placing demands on Agency support and service facilities, and in particular spoke to security clearances, recruitment efforts, communications traffic volume, training workload, paper work in general, and printing costs.

STAT d. [ ] required DD/I and DD/P to report by 20 December consequences of operating at reduced level if FY 1965 budgets held at (1) FY 1964 level or (2) FY 1963 level. Replies are coming in; DD/P situation under such limitation already reviewed with conclusion Clandestine Services would not be "hamstrung" if under new lower level.

STAT e. [ ] required Deputy Directors to clear with ExDir-Compt communications going out to the field on economy measures now being instituted.

STAT f. [ ] placed interim reduction on NPIC ceiling  
STAT [ ] pending study of present manpower mix and true impact on current NPIC programs of such adjustment. A new financial plan identifying dollar savings forthcoming.

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STAT [ ] reduced personnel ceiling of Office of Communications to 30 November on-duty strength (from [ ]) and required submission of new financial plan at lower level identifying dollar savings. STAT

STAT h. [ ] authorized Director of Personnel to EOD (1) 76 new professionals who had firm commitment from Agency, (2) the January 1964 class of JOTs, and (3) the clericals to whom we are committed through January 1964. DirPers required to submit forecast of minimum clerical needs over next 18 months within Agency year-end total of [ ] in formulating Agency policy on recruitment. (Noted that Manpower Control Officer would meet with Offices of Training and Personnel to determine minimum JOT needs for next 18 months, with estimate of dollar savings.) STAT

STAT i. [ ] to DD/P advised ExDir-Compt's intention to examine closely activities which (1) could be curtailed without damage to operations and (2) were also engaged in by other arms of Government. [ ] would be looked at to determine if scope and direction of growth essential, if all activities appropriate for CIA, or if any are susceptible to temporary curtailment. STAT

[ ]

STAT j. [ ] to DD/I pointed up areas in that Directorate which suggested exploration: heavy flow of NSA material into OCI (increased 500% in last three years) and entire battery of registries in OCR (with look also at real need for mass of documents coming into Agency each day). DD/I views by 15 January 1964.

STAT k. [ ] to DD/S followed suit with examples of Support areas where study seemed warranted: current need for items being stockpiled and warehoused; transportation services in field and at headquarters, especially number of vehicles; economies in operations of buildings (as relief for GSA who under same pressure to economize); question of agent training by many components of DD/P as well as OTR (centralize and consolidate in OTR or turnover completely to DD/P?). DD/S views by 15 January 1964.

STAT l. [ ] to DD/S was follow-on to earlier A/M on demands placed on support and service facilities. Instructed DD/S refer to ExDir-Compt requests (1) costing more than \$25,000, (2) involving sizeable resources of type not previously required, and (3) where there seem to be management complications. DD/S invited to recast foregoing criteria if indicated.

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m. [ ] to Director of Personnel advised that all Deputy Directors were being informed of new authorized personnel strength ceilings at Office level. Overstrength components will not receive any additional employees until they come down to authorized ceiling. Exceptions only by ExDir-Compt after staffing by DirPers and Manpower Control Officer. Instructed DirPers to work with DDs and effect lateral switches where possible. Noted that all DDs being instructed work up new staffing and development complements to equate to authorized ceilings within next 45 days. Monthly report to ExDir-Compt (via Manpower Control Officer) required on actions taken by components to achieve authorized strength.

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n. [ ] informed all DDs of new authorized personnel ceilings by office. These to operate as fundamental control factor. Over-strength components to come down; no additional employees until authorized level reached; exceptions to be appealed to ExDir-Compt via DirPers and Manpower Control Office. Called for action so that staffing and development complements will equate to authorized ceiling within next 45 days. Reallocation of personnel within a directorate, aggregating more than \$150,000 in salaries, to be discussed with Dir/BPAM prior to implementation. Major changes within the directorate were highlighted for the appropriate DD.

STAT

o. [ ] report to DD/I forwarded copy of ~~request~~ by ad hoc panel on printing workload and directed that immediate action be taken to reduce use of unnecessary color and graphics in publications. Required that senior officer monitor this problem and called for approval at DD/I level of deadlines requiring overtime or rescheduling in Printing Services Division. Warned that workload on printing must come down or DD/I resources would have to be shifted to PSD.

p. Direction from DD/S to all components to identify minimum telephone requirements toward a reduction in telephone costs by 25 percent.

q. Strengthened regulation to restrict first class travel.

2. In addition to foregoing the following are planned:

a. Complete revision and allocation of funds to Agency components with related financial plans.

b. Personal review by ExDir-Compt of each component's FY 1964 operations, toward identifying further areas of savings and/or marginal activities.

c. Station-by-Station review of manpower overseas.

d. Detailed examination of Agency property expenditures

e. Re-examination of Agency Ordnance inventories to establish minimum levels.

f. Closer and more regularized review of expenditures under all object classes including travel, contractual costs, representational allowances, etc.

Lyman B. Kirkpatrick